

## Message Text

CONFIDENTIAL

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ORIGIN EB-07

INFO OCT-01 CCO-00 SS-15 SSO-00 ISO-00 NSC-05 NSCE-00 /028 R

DRAFTED BY EB:ORF:OFP:FFD:RESERVICE:ML

APPROVED BY EB :THOMAS O. ENDERS

S - MR. EAGLEBURGER

EB/ORF - MR. KATZ

S/S:JMEALUM

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O 122356Z FEB 75 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY CAIRO IMMEDIATE

INFO AMEMBASSY DAMASC

C O N F I D E N T I A L STATE 032559

TOSEC 143

E.O.11652: GDS

SUBJECT: ACTION MEMORANDUM: FY 1975 PL 480 ALLOCATIONS

-- (S/S NO 7502498 )

FOR THE SECRETARY FROM ENDERS

1. I BELIEVE OUR STILL DELICATE RELATIONS WITH CONGRESS AND LOGISTICAL PROBLEMS MOVING LARGE AMOUNTS OF GRAIN IN SHORT TIME ARGUE STRONGLY FOR YOUR EARLIEST POSSIBLE DECISION ON FY 1975 ALLOCATIONS CONTAINED IN MEMORANDUM FEBRUARY 4 FROM KATZ. (S/S NO. 7502498)

2. ON CONGRESSIONAL PROBLEMS WE HAVE AGREED TO LIMIT TITLE I FOOD ALLOCATIONS TO NON-MSAS TO 30 PERCENT OF TOTAL. PRESIDENTIAL DECISION ON OVERALL BUDGET AND ALLOCATIONS SET FORTH IN FEBRUARY 4 MEMORANDUM BASED ON AVERAGE PRICE ESTIMATES FOR WHEAT AND RICE WHICH MAY PROVE HIGHER THAN ACTUALS. THIS COULD RESULT IN SOME SMALL VARIATION FROM 30/70 FORMULA IN TOTAL DOLLAR AMOUNTS INCLUDED IN PL 480 AGREEMENTS. THEREFORE, I THINK IT IMPORTANT TO ESTABLISH OUR POSITION THAT RELEVANT DATA BASE FOR

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30/70 FORMULA ARE THE PRICES AND QUANTITIES USED AT TIME OF

PRESIDENTIAL DECISION.

3. IN THIS REGARD, SENATORS HUMPHREY AND HATFIELD HAVE SENT ME LETTER REQUESTING TO KNOW FY-75 ALLOCATIONS AND SENATE

AGRICULTURE COMMITTEE HAS SCHEDULED PL 480 HEARING FEBRUARY 18 (TO WHICH I INVITED) AT WHICH TIME WE CAN EXPECT STRONG PRESSURE TO GIVE ALLOCATION FIGURES. IF WE CANNOT BE AT LEAST PARTIALLY FORTHCOMING, CONGRESSIONAL SUSPICIONS WILL BE AROUSED AND, BY IMPLYING THAT DECISIONS NOT YET MADE, WE WILL BE ENCOURAGING FURTHER CONGRESSIONAL EFFORTS TO INFLUENCE ALLOCATIONS, PARTICULARLY WITHIN MSA CATEGORY.

3. ON LOGISTICS, USDA ESTIMATES (RELIABLY I THINK) THAT IT IS NOW UNLIKELY THAT WE WILL BE ABLE SHIP ENTIRE 4 MILLION TONS WHEAT AND 1 MILLION TONS RICE THIS FISCAL YEAR. TO HAVE OUTSIDE CHANCE DO SO WE NEED TO COMPLETE ALLOCATIONS AND NEGOTIATE AGREEMENTS BY EARLY MARCH. NORMAL PERIOD FOR INTRA-USG PROGRAM APPROVALS AND CONSULTATIONS WITH THIRD COUNTRIES IS TWO WEEKS. WE HAVE STARTED THIS PROCESS FOR SOME ALLOCATIONS CONTAINED FEBRUARY 4 MEMO, BUT NOT ALL. WHILE WE HAVE EXPLAINED TO CONGRESS THAT SHIPMENTS MAY FALL SHORT OF ALLOCATIONS, WE HAVE AGREED TO MAKE PRIORITY EFFORT TO EXPEDITE THEM.

4. RECOMMENDATION: THAT YOU APPROVE PL 480 ALLOCATIONS IN KATZ MEMO OF FEBRUARY 4.

APPROVE

-

DISAPPROVE

INGERSOLL

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## Message Attributes

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